

FREQUENTLY ASKED QUESTIONS

TexFlex Card Swipe Validation Process

What is a Card Swipe Validation Request?

A TexFlexSM Card Swipe Validation Request is a notification sent by email (or by mail if you don't have an email address on file) that explains you must send an itemized receipt or Explanation of Benefits (EOB) to prove your purchase is eligible under IRS rules. The IRS requires that all expenses be verified as eligible.

Will I receive a TexFlex Card Swipe Validation Request for every purchase I make using my TexFlex debit card?

No. You will only receive a TexFlex Card Swipe Validation Request if you've made a purchase with your TexFlex debit card that wasn't automatically validated. The following are examples of purchases that may not be automatically validated:

- You used your card at a merchant that does not have an inventory information approval system (IIAS).
- The purchase amount does not match to one of your plan's copay amounts.
- The merchant or provider's office does not provide enough detail to validate the expense. This may occur if you go to the dentist or hospital.

How do I validate my TexFlex card swipe?

You can validate your card swipe online, by mail or by fax.

Online: To validate your card swipe online, log in to your TexFlex account and click on "Card Swipe Validation" on the left-hand menu. Step-by-step instructions are available on the **[How to Validate Your Card Swipe](#)** flier.

By fax or mail: If you prefer, you can validate your TexFlex card swipe by fax or mail. Print a copy of your Validation Request Form and send it with your itemized receipt or explanation of benefits (EOB). Fax to (866) 643-2219, or mail to TexFlex Spending Accounts, P.O. Box 34700, Louisville, KY 40232-4700.

What if I can't provide an itemized receipt or EOB?

If you can't provide an itemized receipt or EOB, you can send in a check or money order to repay the amount of the claim or submit a new, claim (for an eligible expense you paid for out-of-pocket) to offset the overpayment of the current claim. Submit new claim with itemized receipt or EOB online, by fax or mail.

Do I have a deadline to validate my TexFlex card swipe?

Yes. Your TexFlex Card Swipe Request Form will provide you with an “Account Suspension Date.” You can view your TexFlex Card Swipe Request Form by logging in to your TexFlex account and clicking on, “Documents and Forms” in the left-hand menu.

What happens if I don't validate my TexFlex card swipe right away?

It's best to submit proper documentation to validate your card swipe as soon as you can after receiving a TexFlex Card Swipe Validation Request. But, if you don't validate your card swipe within 30 days of the initial validation request date (listed on the TexFlex Card Swipe Validation Request Form), you will receive a second TexFlex Card Swipe Validation Request.

If you don't validate your card swipe after receiving your second TexFlex Card Swipe Validation Request, you will receive a Card Suspension Notice. You will have 15 days from the date on your Card Suspension Notice to validate your card swipe.

What happens if I don't validate my card swipe by the deadline?

You must validate your TexFlex debit card transactions so you can continue using your TexFlex debit card for eligible purchases in the future. If you don't validate your card swipe by the “Account Suspension Date” listed on your TexFlex Card Swipe Validation Request Form, your TexFlex debit card will be suspended, or ask you to repay the unsubstantiated amount to the plan.

General Questions

What is a TexFlex Flexible Spending Account (FSA)?

A TexFlex flexible spending account (FSA) lets you set aside money from your paycheck, pre-tax, to use for eligible out-of-pocket expenses. The TexFlex program is available to all benefits-eligible active employees.

- **Health care FSA** – used to pay eligible out-of-pocket medical, dental, vision, hearing and prescription drug expenses and some over-the-counter items. Your full election amount is available for use up front, and pre-tax contributions are deducted from your paycheck on a monthly basis.
- **Dependent care FSA** – used to pay for eligible dependent care expenses to include child care, before and after school care, day camps and adult day care. Pre-tax contributions post to your dependent care account on a monthly basis and claims can only be filed after dependent care services have been received.
- **Limited FSA** – only available to members participating in Consumer Directed HealthSelect and used to pay for eligible out-of-pocket dental and vision expenses only. Your full election amount is available for use up front, and pre-tax contributions are deducted from your paycheck on a monthly basis.

Who is the TexFlex administrator?

The Employees Retirement System of Texas (ERS) Board of Trustees awarded the third-party administrator contract for the TexFlex program to WageWorks, Inc. (WageWorks®). The contract will cover a four-year term beginning September 1, 2015 through August 31, 2019.

The TexFlex program is managed from offices in Louisville, Kentucky and Salt Lake City, Utah. Contact TexFlex customer care, toll-free, at (844) 884-2364. Representatives are available from 7 a.m. to 7 p.m. Central, Monday-Friday, excluding holidays.

You can visit the TexFlex website to:

- use the [Decision Support Tool/Savings Calculator](#) to estimate your contributions,
- review program resources, and
- see news and updates.

Who can participate in TexFlex Flexible Spending Accounts?

The TexFlex program is available to all benefits-eligible active employees. Participation in the TexFlex program is voluntary. You don't have to enroll in the Texas Employees Group Benefits Program (GBP) medical or dental plans to participate in the TexFlex health care FSA or dependent care FSA.

Note: If you are enrolled in Consumer Directed HealthSelect, you cannot have a health care FSA, but you can have a Limited FSA for eligible vision and dental expenses.

How can I save with TexFlex Flexible Spending Accounts (FSA)?

The TexFlex FSA contributions are deducted from your paycheck before taxes. This pre-tax deduction lowers your taxable income, so you pay less Federal income tax and Federal Insurance Contributions Act (FICA) tax, saving you more money.

Annual Savings	with TexFlex	without TexFlex
Annual pay	\$50,000	\$50,000
TexFlex pre-tax contribution	(\$2,000)	\$0
Taxable income	\$48,000	\$50,000
Federal income, Social Security and Medicare taxes	(\$10,966)	(\$11,616)
After-tax dollars spent on eligible expenses	\$0	(\$2,000)
Real spendable income	\$37,034	\$36,384
Savings with TexFlex	\$650	

* Sample tax savings for a single taxpayer with no dependents. Actual savings will vary based on your individual tax situation.

How do I enroll or change my contributions in TexFlex?

You can enroll in TexFlex Flexible spending accounts:

- during Summer Enrollment;
- within 31 days of experiencing a qualifying life event (QLE), such as marriage, birth, etc.; or
- within 31 days of your date of hire.

When you enroll, you designate how much to put into your TexFlex account annually. The annual amount is divided by the number of months left in the plan year and is taken from your check each month. Each account is a separate plan, which means funds cannot be transferred between accounts.

Once you have enrolled in the program, your participation will automatically continue into the next plan year. You can make changes to your enrollment or your annual contributions during Summer Enrollment.

You may increase (up to the annual maximum) or decrease your contribution during the plan year if you experience a qualifying life event.

Do I need to re-enroll each year during Summer Enrollment?

If you do not make any changes to your TexFlex elections during Summer Enrollment, you will be automatically re-enrolled at your previous election amount.

If the IRS allowed annual maximum increases, your contribution amount will not automatically be increased. You will need to change your contribution election during Summer Enrollment or with a qualifying life event.

How much can I contribute?

You decide how much of your paycheck to contribute into either a health care or dependent care account, or both. Use the [Decision Support Tool/Savings Calculator](#) to determine how much to contribute. Contributions are deducted from your paycheck before taxes.

Minimum/Maximums

	Annual minimum	Annual maximum
Health care account	\$180	\$2,650
Dependent care account	\$180	\$5,000*

*If you and your spouse each have a dependent care account, you are limited to \$5,000 between the two of you.

Keep in mind you can carry over up to \$500 in unused funds to the next plan year. Any unused funds greater than the carry-over limit will be forfeited after December 31.

What counts as eligible expenses for a TexFlex health care FSA?

The IRS requires only eligible expenses be purchased using TexFlex account funds. Eligible expense include:

- copays, deductibles or coinsurance for medical, dental or vision plans
- prescription medications
- glasses, contacts, or laser eye surgery
- orthodontia treatments, such as braces

Note: Over-the-counter medications (except insulin) are NOT eligible for reimbursement unless the medication is prescribed.

[Click here](#) for a list of eligible expenses.

What counts as eligible expenses for a TexFlex dependent care FSA?

TexFlex covers daycare services used to allow you or your spouse to be gainfully employed or actively seek gainful employment. Your spouse is also eligible if they are a full-time student, or physically or mentally disabled.

Your dependents are eligible for TexFlex, as long as they are:

- claimed as a federal income tax exemption,
- reside in your household, and
- under age 13, or physically/mentally incapable of self-care.

If your child turns 13 during the plan year, you can change the contributions to your TexFlex dependent care FSA within 31 days of their birth date.

For information about qualifying dependents, please refer to [IRS Publication 503](#).

[Click here](#) for a list of eligible expenses.

Are there fees for a TexFlex FSA accounts?

No. There is a fee holiday for your TexFlex accounts and TexFlex debit card for Plan Year 2018 (September 1, 2018–August 31, 2019).

Claims/Reimbursement

How do I file a claim for reimbursement of TexFlex funds? There are different ways to use your TexFlex FSA funds. You can:

- Use the TexFlex debit card* at the time of purchase.
- Upload your claims through the TexFlex website or mobile app after you have incurred the expense.

- Submit a claim by mail after you have incurred the expense to TexFlex Spending Accounts, P.O. Box 34700, Louisville KY 40232-4700
- Submit a claim by fax after you have incurred the expense. Fax number (866) 643-2219

Dependent care FSA members will receive reimbursements up to the amount available in their account. Once money is available in your account again, you will be reimbursed for the remaining amount of the claim. You can file a claim only after you have received the service. If you file a claim prior to receipt of services, your claim will be denied and you will have to resubmit the claim.

*NOTE: The TexFlex debit card cannot be used with dependent care FSA funds.

What does “incurred expenses” mean?

The IRS considers an expense to be “incurred” at the time you receive the care or the date of service, not when you are billed or pay for the expense. The expense must be incurred within the TexFlex plan year and while you have coverage to receive reimbursement.

For example: If your doctor bills you on November 1 for services you received on October 15, October 15 is considered to be the date that you incurred the expense.

If you had dental work done on September 8, but the provider had you prepay in August, September 8 is considered to be the date that you incurred the expense.

How long will it take to be reimbursed for incurred expenses?

If you are not using the debit card, you will need to submit a claim for reimbursement. You will receive a check by mail or you can sign up for direct deposits into your bank account. Claims processing will generally take 3-5 business days.

How long after the end of the plan year can I file claims?

You may file claims until December 31 following the end of the plan year. If you submit paper claims for expenses that you incurred during the plan year, they must be postmarked no later than December 31. Claims postmarked after December 31 will be denied. You should file your claims as you incur expenses. If claims are submitted on December 31 and they have missing information, you may not receive your reimbursement.

Do I need to save my receipts?

The IRS requires only eligible expenses be purchased using TexFlex FSA funds. It is important to save all your receipts regardless of the method of payment.

Account Funds

What happens if I have funds left in my TexFlex FSA at the end of the plan year?

You can carry over \$25 to \$500 of unused **health care FSA or limited FSA** funds from one plan year to the next. Any amount over \$500 will be forfeited. More information about the carryover is available in the [carry-over section](#).

The carry-over does not apply to the **dependent care FSA**. Instead, at the end of the plan year you have a 2½-month grace period to use dependent care FSA funds from the previous plan year.

You have until December 31 to file claims for health care FSA or limited FSA expenses incurred by August 31, and dependent care FSA expenses incurred by November 15.

When is the grace period for the dependent care flexible spending account (FSA)?

The grace period is the 2½-month period at the end of the plan year, from September 1 - November 15, when you may incur new claims using the previous plan year funds.

Can I reduce my contribution amount, or stop participation in the dependent care FSA?

If you have a significant change in dependent care services costs, it is considered a qualifying life event (QLE). Because it is a QLE, you can either reduce your contribution amount or discontinue participation in your dependent care FSA. You would have 31 days from the date the QLE occurred, to make changes to your TexFlex dependent care account. Changes must be consistent with the QLE.

NOTE: If you stop participation due to an eligible QLE, and have an excess balance, you can only use the excess balance for expenses incurred prior to the date the dependent care FSA was closed.

If I participate in a TexFlex dependent care FSA, do I need to report anything on my income tax return?

Yes. You'll need to file IRS Form 2441-Child and Dependent Care Expenses with your Form 1040. (Go to www.irs.gov to see Instructions for IRS Form 2441.) On IRS form, you will identify all persons or organizations that provided care for your child or dependent. If you have questions about this form, please speak with your tax advisor.

What happens to my TexFlex flexible spending account after I leave employment?

When you terminate employment you can only submit claims for eligible health care and dependent care FSA expenses incurred through your termination date.

You can choose to continue participation in your health care FSA through COBRA. To continue participation through COBRA you have 105 days from the last day of the month your employment ends to submit your payment to ERS.

You have until December 31 of each year to file claims for expenses you incurred while participating.

If you have a TexFlex debit card, the card will deactivate on the last day of the month in which your employment ends.

Carry-over

What is the TexFlex health care flexible spending account carry-over?

Carry-over is a feature that allows health care FSA participants to carry over \$25 to \$500 of unused funds from one plan year to the next. The carry-over can help you minimize forfeitures and maximize the value you receive from your FSA benefit.

Is there a carry-over maximum?

Yes. You can carry over up to \$500 from your health care FSA. Any amount over \$500 will be forfeited. If you have more than \$500 from previous plan year health care FSA funds, you have until December 31 to file claims on that money. You cannot use the amount over the \$500 carry-over for current plan year expenses.

Is there a carry-over minimum?

If you re-enroll in the TexFlex health care FSA, there is no carry-over minimum.

If you discontinue participation in the health care FSA for the new plan year, you must have a carry-over balance of at least \$25. If you have less than this amount, you have until December 31 to file claims for expenses incurred in the previous plan year. You cannot use a health care FSA balance of less than \$25 in the new plan year if you did not re-enroll.

Which account includes the carry-over?

The carry-over only applies to the TexFlex health care FSA. Carry-over does not apply to the TexFlex dependent care FSA.

Who is eligible for carry-over?

You must be a TexFlex health care FSA participant on August 31, the last day of the previous plan year, to qualify for the carry-over balance. This includes participation through COBRA continuation.

Does the amount I carry over change the amount I can contribute to the health care FSA?

No. You can still contribute up to the IRS contribution limit each plan year. If you have a carry-over amount, it will be added to the amount you elect to contribute to the TexFlex health care

FSA. Therefore, you could have access up to \$3,050 in your health care FSA or limited FSA balances if you carry-over \$500 from the previous plan year and contributed the full \$2,650 for the new plan year.

Can my TexFlex health care FSA include both the carry-over and the grace period?

No. A health care FSA cannot offer both the carry-over and the grace period. For GBP participants, the carry-over is only available for the health care FSA and limited FSA.

Please note: the TexFlex dependent care FSA allows a grace period instead of a carry-over.

What happens to my TexFlex health care FSA balance if I'm enrolled this year and don't participate next year?

If your balance is \$25 or more, it will be carried over into the next plan year. You will receive a TexFlex debit card to pay for eligible health care expenses. If you have less than \$25 in your health care FSA, you have until December 31 to file claims from the previous plan year.

Does the \$500 carry-over apply to the TexFlex dependent care FSA?

No. The carry-over does not apply to a dependent care FSA. It is only available for TexFlex health care FSA and limited FSA. The dependent care FSA still includes the grace period through November 15 and any funds left in your account after the end of the run out period (December 31) will be forfeited. This means you must incur new expenses between September 1 and November 15 of the following year. The last day to submit claims is December 31.

When will my carry-over balance be available in the new plan year?

Carry-over funds will be available in mid-September following a blackout period. If you incur expenses during the blackout, you can file electronic and paper claims for those expenses and be reimbursed when the funds are made available. You will have access to your new plan year election immediately on September 1.

Does my carry-over balance expire?

No. You can use your carry-over until you leave employment or exhaust the funds. You have until December 31 to submit claims incurred prior to your termination date.

Why aren't my carry-over funds used first?

Carry-over funds are used last to allow you to file claims for expenses incurred in the previous plan year through the run-out period (December 31). If you paid an eligible expense out-of-pocket in the previous plan year and file the claim during the run-out period, the carry-over and any remaining funds will be used first to reimburse you before using your new plan year election. This ensures you receive the maximum reimbursement. Keep in mind, carry-over funds do not expire.

Can I use my TexFlex debit card to access my carry-over funds?

Yes. If you have an existing TexFlex debit card, you can continue to use it as long as you are actively employed and have a balance.

Will my TexFlex debit card have my carry-over balance?

Yes. You'll receive a new TexFlex debit card with your carry-over balance if:

- you continue participation in the TexFlex health care FSA for the upcoming plan year; or
- you discontinue participation in the TexFlex health care FSA for the upcoming plan year but have a minimum carryover amount of \$25 (up to \$500) in your account.

If my employment ends before August 31 and I elect to continue participation in the health care FSA through COBRA, will my balance carry over?

If you leave employment prior to August 31, you would need to continue your participation in the TexFlex health care FSA until August 31 through COBRA for your balance to carry over. Otherwise, you won't be eligible for the carryover and any funds in your account after December 31 will be forfeited.

Please note: you would no longer be able to use your TexFlex debit card and would need to file paper claims for your eligible health care expenses.

TexFlex Debit Card

How does the TexFlex Debit card work?

There is no fee for the debit card. The TexFlex debit card lets you conveniently pay for eligible out-of-pocket expenses using your TexFlex health care FSA or limited FSA funds. Because your TexFlex account funds are pre-tax, the Internal Revenue Service (IRS) requires that the TexFlex debit card be used only at providers and retailers who provide eligible services and products.

If you do not have your card when payment is due at the provider, you have the option of paying the expense using another form of payment and submitting a claim for reimbursement claim.

Are there any limitations to using the debit card?

Yes. You can only use your TexFlex debit card to pay for eligible health care FSA and limited FSA items purchased from merchants who accept VISA®. If the merchant or provider does not accept the card, you'll need to pay for the items with another form of payment and then submit a claim for reimbursement.

If your expense is greater than your available balance, your card will be declined.

Why can't I use my TexFlex Debit card for dependent care expenses?

IRS rules require that expenses from your TexFlex dependent care FSA be incurred and services received before funds can be reimbursed to you. The debit card cannot confirm that either of these two criteria have been met, therefore, your card cannot be used for dependent care expenses.

Can I order a card for my spouse or dependents?

Yes. To order a free TexFlex debit card for your spouse or dependents, sign in to your TexFlex account and select, "Request Additional Card," or call, toll-free, at (844) 884-2364.

Who do I call if I lose my card or if it's stolen?

To report a lost or stolen card, call UMB Health Care Services immediately at **1-888-835-3060**. Please see your Benefits Card Cardholder Agreement for additional lost/stolen information.

Who do I contact when I have issues related to my TexFlex debit card?

- Card Activation 1-800-832-3409
- Lost/Stolen Card 1-888-835-3060
- Change PIN Number 1-888-999-0121
- TexFlex Customer Service 1-844-884-2364

TexFlex Limited Flexible Spending Account

What is a TexFlex Limited Flexible Spending Accounts?

TexFlex Limited FSA is an account that lets you set aside money on a pre-tax basis – for both you and your eligible dependents – the same way a health care flexible spending account (FSA) does, except it is limited to dental and vision expenses so that it complies with IRS requirements. TexFlex Limited FSA is administered by WageWorks, Inc. (WageWorks).

Who can enroll in an Limited FSA?

Only employees enrolled in Consumer Directed HealthSelect are eligible to enroll in an Limited FSA (retirees are not eligible).

Do I have to enroll in an Limited FSA if I enroll in Consumer Directed HealthSelect?

If you enroll in Consumer Directed HealthSelect, you do not have to enroll in a Limited FSA. However, if you have a TexFlex health care FSA balance of \$25 to \$500, after August 31, 2018, a Limited FSA will be opened for you. Your balance will be rolled over because IRS rules don't allow participation in both a health care FSA and an HSA. Any amount less than \$25 or over

\$500 will be forfeited (participants have until December 31, 2018 to file claims for Plan Year 2018 expenses before funds are forfeited).

If you have less than \$25 in your TexFlex health care FSA and enroll in a Limited FSA, the balance would roll over.

How much can I contribute to an Limited FSA?

Because a Limited FSA is a pre-tax benefit, the IRS limits the amount you can contribute to your account. The limits are determined each year by the IRS. The annual minimum contribution amount is \$180 and the annual maximum contribution amount is \$2,650.

How do I enroll?

During Summer Enrollment, contact your benefits coordinator, ERS, or log in to your ERS account and elect the annual contribution amount you would like deducted from your paycheck monthly. Your annual contribution will be deducted before taxes and in equal amounts throughout the year. Your full annual pledge will be available on September 1, 2017.

Remember, you must first enroll in Consumer Directed HealthSelect to enroll in a Limited FSA.

What if I don't use all of my Limited FSA funds?

You can carry over up to \$500 of your TexFlex Limited FSA funds to the next plan year.

What can I purchase with my Limited FSA funds?

You can only purchase eligible out-of-pocket dental and vision expenses. General health care expenses that are eligible under a health care FSA are NOT eligible under a Limited FSA. Visit www.TexFlexERS.com to see the TexFlex Limited Flexible Spending Account Eligible Expense Guide under "Program Resources."

How can an Limited FSA save me money?

An Limited FSA lets you set money aside for eligible dental and vision expenses before taxes are taken out of your paycheck, which lowers your taxable income.

How do I use my Limited FSA funds?

When you enroll in an Limited FSA, you will automatically receive a free TexFlex debit card. The TexFlex debit card gives you immediate access to your entire annual contribution amount. Just swipe the card when it's time to pay for your **eligible dental and vision expenses**. Keep all receipts in case you're asked to provide verification at a later time.

Note: If you currently participate in the TexFlex health care FSA or the TexFlex commuter spending account and already have a TexFlex debit card, you won't receive another debit card, you'll use the same one.

If you pay out of pocket, you can file a claim online, by mail or fax. Claims are generally processed in 3 – 5 business days. Once your claim is approved, you will be reimbursed from your Limited FSA by check or through direct deposit.

What happens to my TexFlex Limited FSA if I leave state employment?

When you terminate employment you can only submit claims for eligible dental and vision expenses incurred through your termination date.

You can choose to continue participation in your Limited FSA through COBRA and could file claims for eligible expenses incurred throughout your participation.

Your TexFlex debit card is deactivated on the last day of the month in which your employment ends.

Where can I learn more about the TexFlex Limited FSA?

Visit www.TexFlexERS.com for more information about the Limited FSA or call TexFlex Customer Care toll-free at (844) 884-2364. Representatives are available 7:00 a.m. to 7:00 p.m. CT, Monday – Friday.